Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Message Text

CONFIDENTIAL

PAGE 01 MANILA 01547 041035Z

51
ACTION L-02

INFO OCT-01 EA-06 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00

DOTE-00 EB-07 INR-07 NSAE-00 RSC-01 FAA-00 H-01 SS-15

NSC-05 /047 W
---------- 018003
R 040914Z FEB 75
FM AMEMBASSY MANILA
TO SECSTATE WASHDC 0375

C O N F I D E N T I A L MANILA 1547

E.O. 11652: GDS
TAGS: EAIR, RP
SUBJECT: CIVAIR - PAN AM CARGO PERMIT

REF: A. STATE 15191
B. MANILA 0472

1. WHILE WE AGREE WITH ESSENTIAL STATEMENT PARA 2 REF A THAT NEGOTIATING HISTORY SHOWS A CONTINUOUS U.S. INSISTENCE ON A STATUS QUO RESPECTING CARGO RIGHTS, THE RECORD WILL NOT, REPEAT NOT SHOW A COMPARABLE INSISTENCE ON WRITTEN RECOGNITION. THE DEPARTMENT RECORD NO DOUBT WILL RECALL THE FOLLOWING SEQUENCE:

A. FOLLOWING COLLAPSE OF FORMAL TALKS AT MANILA IN JUNE 1974 THE IMMEDIATE OBJECTIVE, ACCEPTED ORALLY ON BOTH SIDES, WAS TO FIND SOME AT LEAST INTERIM MEANS TO IMPROVE THE FREQUENCY/CAPACITY REGIME GOVERNING COMBINATION CARRIER OPERATIONS. THIS AIM WAS CLEARLY EXPRESSED IN INFORMAL ROMUALDEZ/MEADOWS TALKS INVOLVING AMBASSADOR AND ARNOLD PRIOR TO DEPARTURE OF U.S. TEAM FOR BANGKOK.

B. IN THIS CONTEXT, NO, REPEAT NO NEGOTIATING OBJECTIVES WERE ADVANCED RESPECTING CARGO SERVICES OF PAN AM OR OF FTL, ALTHOUGH THEY HAD COME UNDER DISCUSSION AND HAD BEEN THE SUBJECT OF VARIOUS FREQUENCY/CAPACITY/EQUIPMENT PROPOSALS DURING FORMAL TALKS.

C. THE ALL-CARGO OBJECTIVE IN THE CONTEXT OF ANY
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 MANILA 01547 041035Z

INTERIM ARRANGEMENT WAS AT BEST A STATUS QUO ONE OF DEFERRING

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

ANY DECISION UNTIL A ROUND OF TALKS ON THE BROADER RANGE OF ISSUES. THIS FRAME OF REFERENCE WAS REFLECTED IN THE VERY LIMITED TREATMENT OF CARGO MATTERS IN THE EMBASSY DRAFT TEXT OF AN INTERIM AGREEMENT (MANILA 8544), AND IN DEPT REPLY (STATE 155107).

D. A FORMAL NEED TO DEAL WITH THE ISSUE SURFACED WITH PAL'S REQUEST FOR AN ALL-CARGO OPTION, AT WHICH POINT EMBASSY WAS INSTRUCTED, PER STATE 158653 TO SEEK INCLUSION OF PROTECTIVE LANGUAGE RESPECTING ALL-CARGO OPERATIONS AND WAS GIVEN THREE OPTIONS, ALL OF WHICH WERE CONVEYED TO EXECSEC MELCHOR IN WRITTING IN THE FINAL STAGES OF BARGAINING. THESE WERE ALSO CONVEYED TO AND DISCUSSED WITH MABILANGAN AT THAT TIME.

E. ALTHOUGH THE POINT WAS MADE CONSTANTLY IN NEGOTIATION, IT WILL BE NOTED THAT ONLY ONE OF THE FOREGOING THREE OPTIONS EXPLICITLY SPECIFIED A STATUS QUO, AND THE OPTION FINALLY AGREED, WHETHER IT SPECIFIED QUOTE FAVORABLE UNQUOTE OR ONLY QUOTE SYMPATHETIC UNQUOTE CONSIDERATION DID NOT STATE AN EXPLICIT STATUS QUO OBJECTIVE.

F. FOLLOWING RECEIPT OF THE DFA NOTE PROTESTING SEIZURE OF PAL'S DC-10 AND ANNOUNCING GOP INTENT TO CANCEL FTL'S CARGO PERMIT, THE EMBASSY WAS INSTRUCTED TO PROPOSE VARIOUS WRITTEN ADDENDA TO THE DRAFT INTERIM AGREEMENT (STATE 170102), FOCUSED PRIMARILY ON PROTECTING FTL, BECAUSE PAN AM WAS NOT THEN AT ISSUE. ALL OF THESE ULTIMATELY WERE REJECTED IN FAVOR OF AN ORAL APPEAL BY THE AMBASSADOR TO PRESIDENT MARCOS WHICH ELICITED HIS ORAL ASSURANCE SPECIFICALLY RESPECTING FTL.

2. ON BALANCE, WHILE WE HAVE NO, REPEAT NO DOUBT THAT USG INTENT IN THIS MATTER WAS FULLY UNDERSTOOD BY ALL PARTICI-PANTS IN THE TALKS, WE HAVE EQUALLY LITTLE DOUBT THAT PAL HAS MANAGED TO PROMOTE A PHIL CAB POSITION WHICH IGNORES AND OBSCURES THE NEGOTIATING HISTORY. WHILE WE BELIEVE THAT WE SHOULD CONTINUE TO INSIST, IN ORAL OR WRITTEN APPROACHES, THAT STATUS QUO WAS THE MUTUALLY UNDERSTOOD INTENT AT THE TIME THE AGREEMENT WAS SIGNED, PAL APPEARS EFFECTIVELY TO HAVE LOCKED UP SEVERAL WITNESSES TO THAT UNDERSTANDING BY CALLING THE INTEGRITY OF PHIL CAB MEMBERS INTO QUESTION RE ISSUE OF AD HOC PAN AM CARGO PERMITS. FOR BETTER OR WORSE THEY HAVE ALL GONE TO GROUND, AND CONFIDENTIAL

CONFIDENTIAL

PAGE 03 MANILA 01547 041035Z

THERE ARE PROBABLY NO REWARDS IN A LEGALISTIC APPROACH.

3. AS A FINAL POINT, WE DID IN FACT RELEX FOLLOWING THE MARCOS ASSURANCE, BECAUSE THERE WAS NO EVIDENT ASSUALT ON PAN AM'S RIGHTS. THE QUOTE GAP UNQUOTE EXISTS IN PART AS THE HISTORY WILL REFLECT BECAUSE OF THIS LACK OF APPARENT NEED TO WORRY AT THE TIME, BUT MORE POINTEDLY BECAUSE ALL, REPEAT ALL ATTEMPTS TO SPECIFY BOTH U.S.

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

CARGO CARRIERS BY NAME EVOKED A PAL EFFORT TO DESIGNATE ONE ONLY, AND WE FINALLY ABANDONED THAT EFFORT. CONCERN ABOUT PAN AM RIGHTS AS IT AROSE IN OCTOBER AND FOLLOWING WEEKS IS TRACEABLE, TO OUR SATISFACTION, TO PAN AM'S REQUEST FOR UNLIMITED CARGO RIGHTS, WHICH GAMBIT PAL HAD FEARED AND HAD SOUGHT EFFECTIVELY TO COUNTER FROM THE BEGINNING.
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Margaret P. Grafeld
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EO Systematic Review
05 JUL 2006

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